

OK
7/2



INDUSTRY CIRCULAR

DEPARTMENT OF
THE TREASURY

Bureau of Alcohol, Tobacco and Firearms
Washington, D.C. 20226

Number: 73-12

Date: June 22, 1973

REVISION OF FORMS 2637 AND 2733

Proprietors of distilled spirits plants,
and others concerned:

The purpose of this circular is to inform you of an ATF Procedure published in the June Alcohol, Tobacco and Firearms Bulletin. This procedure changes the categories of rectified whiskies required to be reported by bottlers of distilled spirits and provides new instructions for preparing Forms 2637 and 2733 which are revised effective July 1, 1973. The procedure reads substantially as follows:

ATF Proc. 73-2

SECTION 1. PURPOSE.

This procedure is to announce that the Director has determined that, for statistical purposes, a further breakdown of rectified whiskies should be reported by proprietors of distilled spirits plant bottling premises. Accordingly, Form 2637, Bottling Tank Report, and Form 2733, Monthly Report of Bottling Premises Operations, have been revised.

Sec. 2. BACKGROUND.

For several years categories of rectified whisky which proprietors of distilled spirits plants were required to report have remained unchanged. These categories as reported on Forms 2637 and 2733 are "Blends of whiskies four years old and older," "Spirit whisky," and "Other blended whisky". Appropriate footnotes on each form provide a basis for classifying blended whisky into one of these three categories.

Since July 1, 1972, the bottling of light whisky and light whisky products has been permitted. One effect has been the establishment of two new types of rectified whisky; light whisky (with 2 1/2 percent or less blending material); and blended light whisky (blended with less than 20 percent straight whisky). In addition, light whisky is being used in the production of blended whisky in place of neutral

spirits. Consequently, current bottling statistics as reported on Form 2733 are distorted since whisky products currently bottled no longer fit into one of the three existing categories for rectified whiskies. The Bureau is receiving numerous incomplete or inaccurate Forms 2733, especially with respect to rectified whisky products.

A further reason for changing the reported categories of whisky is to create categories which adhere closely to the F.A.A. Act standards of identity. The use of these standards will eliminate confusion over the identity of each product and will be more easily understood by the public since the F.A.A. Act standards of identity are reflected on the product labels.

Sec. 3. CATEGORIES OF RECTIFIED WHISKY.

The revised Forms 2637 and 2733 will provide entries for reporting four categories of blended whiskies. These are named and explained in detail below.

.01 Blends of straight whisky four years old or older.

These are blends consisting solely of straight whiskies all of which are at least four years old, containing no neutral spirits. This also includes blends rectified but exempt from tax under 26 CFR 201.144. The corresponding F.A.A. Act standard is found at 27 CFR 5.22(b)(5).

.02 Blended whisky blended with neutral spirits.

This represents blended whisky composed of at least 20 percent straight whisky blended with any quantity of neutral spirits. In addition to neutral spirits, other whisky, including light whisky, may be included.

.03 Blended light whisky.

This represents light whisky blended with less than 20 percent straight whisky, containing no neutral spirits. This category does not include light whisky merely mixed with up to 2 1/2 percent blending material but without additional straight whisky.

.04 Other blended whisky.

This represents all other blends of whisky without neutral spirits including blends made with straight whisky and other whisky including light whisky.

Whisky mingled under the provisions of 26 CFR 201.444a is not included since this is considered an unrectified product.

Sec. 4. FORM 2637.

- .01 Form 2637 is being revised to provide proprietors with necessary data to prepare monthly reports containing the revised categories of rectified whiskies. Footnote 1 will instruct proprietors to use the designation for one of the four types of rectified whiskies outlined in sec. 3 and will provide a brief explanation of each type. These new categories are to be used in filling out item 3B, "Kind of product". Also, if light whisky is bottled, proprietors should note at item 3B whether it is a rectified or unrectified product.
- .02 The June 1973 revision of Form 2637 should be used beginning July 1, 1973. However, proprietors of bottling premises may use existing stocks of the 4-72 revision if they follow the instructions contained in footnote 1 of the 6-73 revision when next reprinting Form 2637.

Sec. 5. FORM 2733.

- .01 Part III, Summary by kinds, of Form 2733 is being revised to show the new types of rectified whiskies. Line 2 will be entitled "Blended Whisky" and will have entries as follows: Line 2(a) "Straight whiskies" described in sec. 3.01; Line 2(b) "With neutral spirits" described in sec. 3.02; Line 2(c) "Blended light" described in sec. 3.03; and Line 2(d) "Other" as described in sec. 3.04. These types correspond to those to be reported on Form 2637 on and after July 1, 1973.
- .02 The June 1973 revision of Form 2733 contains three lines for total whisky. These are: Line 3, "Imported whisky"; Line 4, "Domestic whisky distilled at 160° and under"; and Line 5, "Domestic whisky distilled at over 160°".
- .03 Light whisky should be reported on Line 5 of Part III, in column (j) if bottled without rectification and in column (k) if mixed with 2 1/2 percent or less blending material. Blended light whisky should be reported at Line 2(c), column (k).

.04 Do not add the quantities of Line 2(a), (b), (c), or (d) in the total for column (k). These quantities of rectified whiskies should be included in column (k) of Lines 3, 4, and 5 for total whisky as follows:

1. Line 3, column (k), "Imported whisky," should include any blends composed of imported whiskies which are reported on Line 2(d), plus any additional rectified imported whiskies except those exempt from tax under 26 CFR 201.444a.
2. Line 4, column (k), "Domestic whisky distilled at 160° and under," should include any blends reported at Line 2(a) or 2(b), any blends of domestic whisky reported at Line 2(d), plus any additional rectified domestic whisky distilled at 160° and under. Do not include blends exempt from tax under 26 CFR 201.444a.
3. Line 5, column (k), "Domestic whisky distilled at over 160°," should include the quantity of blended light whisky reported on Line 2(c) plus any other rectified domestic whisky distilled at over 160°, including rectified light whisky. Do not include blends exempt from tax under 26 CFR 201.444a.

.05 The June 1973 revision of Form 2733 should be used beginning with the monthly report for July 1973. Dispose of all prior revisions of this form at this time.

Sec. 6. EFFECTIVE DATE.

See sec.4.02 and 5.05 for the effective date for use of the June 1973 revisions of Forms 2637 and 2733, respectively. Prior revisions of Form 2637 may continue to be used after that time if the instructions in revised footnote 1 of the 6-73 revision are followed.

Inquiries regarding this industry circular should refer to its number and be referred to the office of your regional director.

Hex D. Davis
Hex D. Davis
Director